

For Immediate Release



10 Years of Low Gaming Tax

Cambodian government approval of extension of another 5 years from 2013 till 2018 to pay fixed monthly gaming tax means Nagacorp has 10 years of strategic competitive strength to position itself as a key hotel casino complex in Asia.

*Hong Kong, October 12, 2008 – **NagaCorp Ltd.** and its subsidiaries (“NagaCorp” or the “Group”, SEHK stock code: 3918) has received a letter of approval from the Ministry of Finance and Economy of Cambodia to continue its fixed monthly payment of gaming tax and also maintain the same rate of increase at only 12.5% per annum for a period lasting till 2018. This low gaming tax payment is favorable compared with the gaming tax of, for instance, Macau which levies a tax rate of 39% on gaming revenue.*

The low gaming tax would allow NagaCorp to continue to pay competitive commissions to operators to bring more players from China and South East Asia. This is the single biggest advantage NagaCorp is enjoying in a country which continues to pursue a regime of less restrictive fiscal policy in order to attract more foreign direct investment in its drive to enhance tourism, which is the fastest sector of growth in Cambodia.

The arrival of tourists in Cambodia has been growing at a compound annual growth rate of 25%. In addition to the extension of low gaming tax payment, NagaCorp has obtained approval from the Cambodian government (the “government”) to use the logo of Ministry of Tourism to promote tourism worldwide. This is especially important in nowadays turbulent financial climate, in which the private sector can utilize its resources to promote tourism together with the government in a more aggressive manner particularly attracting visitors coming to Phnom Penh, the capital of Cambodia.

It is noteworthy that NagaCorp still has nil gearing, which means no downward financial pressure in the current uncertain market environment. Coupled with 10-year’s low gaming tax, conservative gaming policy of controlled table limit catering regional midsize players without exposing to much volatility, NagaCorp is well poised to compete regionally and look forward to some good years ahead.

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About NagaCorp Ltd

Established in 1995, NagaCorp manages and operates the only licensed casino in Phnom Penh, the capital city of the Kingdom of Cambodia. It owns a casino license valid for 70 years from 1995 up to 2065, and exclusive gaming operational rights within a 200km radius of Phnom Penh (save Cambodia–Vietnam border area, Bokor, Kirirom Mountains and Sihanoukville) for a period of around 41 years between 1995 and 2035. Its flagship project, NagaWorld is an international hotel-casino complex, a first-of-its-kind in Phnom Penh, containing 8-storey entertainment wing and a 14-storey hotel wing with a total built up area of approximately 110,768 sq.m..

For further information, please contact Hill & Knowlton Asia Ltd.

Hoi-ni Kong

Tel: +852 2894 6323 / 9807 2495

E-mail: hoini.kong@hillandknowlton.com.hk

Tiff Ko

Tel: +852 2894 6208 / 6446 6530

E-mail: tiff.ko@hillandknowlton.com.hk